

Memorandum

TO: ALL CHILDREN ACHIEVE COMMITTEE

FROM: Sara L. Hensley
Leslye Corsiglia

**SUBJECT: UPDATE ON TEACHER HOUSING/
TEACHER RETENTION INITIATIVES**

DATE: March 7, 2003

Approved

Date

RECOMMENDATION

Accept the Status Report on the efforts of the City of San José's Teacher Housing and Teacher Retention Initiatives.

BACKGROUND

The purpose of this report is to update the members of the All Children Achieve Committee on the status of the City's Teacher Housing and Retention Initiatives, and other related programs.

Over the last several years, the high cost of living in San José, particularly the cost of housing, has deterred many teachers from working and living in the Bay Area. Programs, like these, were created to attract and retain quality teachers in the City of San José. While the downturn in the economy has lowered rents in our region, the cost of living, coupled with the shortage of affordable housing, continues to make it difficult for many teachers to teach in San José schools; and those that do teach here often commute from outside the county where the cost of living is less expensive.

In an effort to offset these employment challenges, the Mayor announced three education goals at the 1999 State of the City Address: to make San José the most teacher friendly city in California, to involve more parents, and to connect students with Silicon Valley jobs.

The following discussion demonstrates the efforts and successes of the Mayor and City Council-supported teacher friendly initiatives and related programs.

ANALYSIS

Schools/City Collaborative

Created in 1997, the Schools/City Collaborative was formed by the City Council and school district representatives as a vehicle to better coordinate programs and services between the 19 school districts that serve San José youth and the City of San José.

The Collaborative is governed by an Executive Board and supported by three sub-committees. The Executive Board of the Collaborative is comprised of school superintendents, school board members, and staff from the Office of the Mayor, the Director of the Department of Parks, Recreation & Neighborhood Services, and staff from the Office of the City Manager. School superintendents, City department heads, and community service agencies make up the sub-committees of individuals who are invited.

One of the education policy directives of the City of San José was for the school districts and the City to identify collaborative opportunities in the areas of Teacher Recruitment/Retention (Attachment A). Through the school/city partnerships, the Collaborative contributed to teacher recruitment and retention strategies by supporting the expansion and success of City sponsored programs like the Teacher Homebuyer Program, the Future Teacher Loan Program (FTLP), the School Community Innovative Grant Program, and school safety programs. Lastly, in 2000 and 2001, the Collaborative, in partnership with the INTEL Corporation, sponsored two teacher recognition events called *Excellence in Education Awards* to recognize all teachers in San José. Schools were invited to nominate a teacher, an administrator, or someone who supported education. The finalists were notified by mail, and the winners were announced at an evening event held at the Tech Museum of Innovation.

However, with the downturn in the local economy and a projected \$34.6 billion State budget deficit, the Executive Board of the Schools/City Collaborative has postponed the work of its sub-committees, and postponed financing teacher incentives like the *Excellence in Education Celebration*, and is now focusing all its attention on supporting San José schools. The school districts have expressed their concern that the types of cuts proposed in the Governor's 2003-2004 budget would challenge the ability of the City and the school districts to maintain basic services and programs.

San José Teacher Homebuyer Program

The City offers the Teacher Homebuyer Program (THP) to public school teachers who are seeking to purchase a home in San José. Eligible teachers can receive interest free loans of up to \$40,000 for downpayment assistance through the City's Housing Department.

Since the program was established by the City Council in 1999, over 300 teachers have used the THP to purchase their first home and the program has leveraged \$72 million. The program's success is attributed to the excellent partnerships established between the City, schools, teacher organizations, realtors, and lenders. Neighborhood Housing Services Silicon Valley (NHSSV) is also a key participant in the City's effort to provide housing to public school teachers by providing free Orientation and Homebuyer Education classes and credit counseling. Teachers may also be eligible for additional downpayment assistance through NHSSV's HomeVenture Fund.

Under the current THP appropriation, 71 teachers have been assisted in purchasing a home. With the \$4 million for FY 2003-04, an additional 29 teachers will be assisted this year.

San José Move-In For Less

In partnership with the Tri-County Apartment Association, San José teachers can “Move-In for Less.” Participating apartment complexes in San José (and other communities) have agreed to charge no more than 20% of the monthly rent as a deposit, saving hundreds of dollars up front. (Attachment C)

Any teacher making less than the Santa Clara County median income qualifies to participate in this program.

2003 Median Income:

\$73,900	1 person household
\$84,400	2-person household
\$95,000	3-person household
\$105,500	4-person household

This program does not have a data collection method in an effort to facilitate participation from renters and landlords.

San José Future Teacher Loan Program

The purpose of the San José Future Teacher Loan Program is to increase the number of qualified individuals teaching in public schools serving San José youth.

Qualified students enrolled in San José State, Santa Clara, National University, or National Hispanic University are eligible for a loan of \$3,000 per year to be used for tuition, fees, books, or other materials. The City forgives an amount equal to the annual loan amount awarded (maximum amount forgiven: \$3,000 per year; \$15,000 over five years), for each year the loan recipient teaches in a K-12 public school serving a student population of which 50% or more are San José residents. The Future Teacher Loan Program (FTLP) has ongoing budget of \$200,000. From 1999-2002, the FTLP has made 202 loans, worth over \$849,000 (Attachment D).

Due to expected cuts in the City budget; staff has applied for full funding for the FTLP from the Healthy Neighborhoods Venture Fund for FY 2003-04. The application was submitted to create a savings for the General Fund yet still allows the program to continue.

PUBLIC OUTREACH

Public outreach activities in the City of San José were implemented in the formulation and implementation stages of the programs highlighted in this report.

COST IMPLICATIONS

Due to the current uncertainty of the State budget, the amount of funding available for the THP will be capped at \$4 million during the current year and in FY 2003-04. As a result, we anticipate that there will be approximately a one-month period in each year when funds are not available for teacher homebuyers. The Future Teacher Loan Program (FTLP) has an ongoing budget of \$200,000 and staff has applied for a Healthy Neighborhoods Venture Fund grant for the FTLP in order to offset any reductions due to expected cuts to the City budget. The grant application was submitted to reduce the amount of funding coming out of the General Fund.

COORDINATION

This report has coordinated with the Schools/City Collaborative.

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Attachments